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Hong Kong

Poultry and Products

Annual Report

2004

Approved by:
David Wolf
U.S. Consulate General, Hong Kong

Prepared by:
Caroline Yuen

Report Highlights:
The Hong Kong government has amended its certification requirements for U.S. chicken feet, effective on April 30, 2005. U.S. exporters may need to adjust production facilities to meet Hong Kong's new certification requirements. Hong Kong's ban on U.S. raw chicken imports between February 11, 2004 till April 30, 2004 led to a loss of approximately $35 million, in terms of export value. The total volume of U.S. chicken exports to Hong Kong for 2004 will hinge on when China will lift its poultry ban and whether U.S. suppliers are willing to divert their products to the competitively priced Hong Kong market. Approximately 82 percent of Hong Kong's imports are re-exported to China.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Situation and Outlook

The Hong Kong government has requested the U.S. health certification for poultry feet/paws to be aligned with Hong Kong's current certification requirements for poultry meat, i.e, poultry feet/paws have the same health certification as poultry meat. The new requirement will take effect April 30, 2005. With this new certification requirement, U.S. plants may need to adjust their production facilities to make ante mortem and postmortem inspection possible, if they want to continue to export chicken feet to Hong Kong.

Hong Kong's imports of U.S. chicken products declined over 62 percent (table 5) in the first six months of the year compared to the corresponding period last year. The decline was largely due to Hong Kong's ban on U.S. poultry meats between January 11 and April 30 following the avian influenza cases in the United States.

According to U.S. trade statistics, the United States exported $45 million worth of chicken products (including chicken feet) to Hong Kong during February – April 2003 and the export value declined to $10 million during this same period in 2004. Therefore, Hong Kong's ban on U.S. raw chicken products represents a loss of approximately $35 million, in terms of export value. Given that about 82 percent of U.S. chicken products exported to Hong Kong are re-exported to China, it is reasonable to foresee that U.S. poultry exports to Hong Kong will not return to the normal level as long as China's ban on U.S. poultry products continues.

Hong Kong consumers' confidence in U.S. chicken products was largely not affected by the February avian influenza cases in the United States. Hong Kong's imports of U.S. chicken in the remaining of 2004 will depend on two key factors: prices of U.S. chicken products and whether China will lift the ban on U.S. chicken products. If the strong demand of U.S. chicken products in the United States and other overseas markets continue, U.S. chicken prices will remain high and export quantity to Hong Kong will be adversely affected. Also, it's expected U.S. chicken product exports to Hong Kong will be unable to reach last year's figures if the China market remains closed to these products. Hong Kong's imports of U.S. chicken between May and June 2004 was still 90 percent less than the import level of the same period last year.

Brazil overtook the United States as the largest supplier of chicken products to Hong Kong in the first half of the year. Imports from Brazil, however, did not rise between January and June 2004 because Brazilian products could not be re-exported to China during that time. China did not issue sufficient amount of import permits for Brazilian poultry products. Hong Kong buyers then ordered less Brazilian products.

China has increasingly expanded its market share in Hong Kong's total chicken imports, though still relatively small compared to the United States and Brazil. The rising trend, however, is very noticeable. China, apart from being very competitive in the supplies of whole chickens, also increased the supplies of chicken parts to Hong Kong. Both quality and specifications have improved.

Hong Kong's consumption of chicken for 2004 is forecast to drop 5 percent this year and is mainly attributed to the reduced supplies of live chickens. The Hong Kong government currently restricts the number of live chicken imports from China to 30,000 head daily, far lower than the normal Hong Kong demand for 100,000 head. The consumption of chilled/frozen chicken products, however, is expected to rise about 10 percent as a result of the substitution effect. The reduced live chicken supplies have driven consumers to buy chilled/frozen chickens, and other meats such as pork.

Hong Kong was not infected with Avian Influenza though the virus swept across many regions in Asia in early 2004. Hong Kong has suspended imports of live birds and poultry products from all infected countries/regions.

Statistical Tables – Plty, Meat, Chicken

PS & D Table

Hong Kong Poultry, Meat, Broiler (1000 MT)(MIL HEAD)							
	2003	**Revised**	**2004**	**Estimate**	**2005**	**Forecast**	**UOM**
	USDA Official [Old]	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Inventory (Reference)	2	3	0	2	0	2	(MIL HEAD)
Slaughter (Reference)	40	40	39	22	0	30	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	60	58	59	32	0	55	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	154	154	170	169	0	160	(1000 MT)
Intra EC Imports	0	212	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	154	154	170	169	0	160	(1000 MT)
TOTAL SUPPLY	214	212	229	201	0	215	(1000 MT)
Whole, Exports	0	0	0	0	0	0	(1000 MT)
Parts, Exports	0	0	0	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Human Consumption	214	212	229	201	0	215	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	214	212	229	201	0	215	(1000 MT)
TOTAL Use	214	212	229	201	0	215	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	214	212	229	201	0	215	(1000 MT)
Calendar Yr. Imp. from U.S.	70	43	73	34	0	43	(1000 MT)

Note: Re-exports are taken from Imports and exports refer to domestic exports. Slaughter (Reference) includes the importation of live chickens that are less than 185 grams. All figures above do not include chicken feet/paws.

Table 1: Production of Live Chicken

	2001	2002	2003	03/02 % change
Local Supply	8,322,000	8,604,000	10,154,000	18%
Import	41,032,126	32,884,727	30,751,807	-6%
Total	49,354,126	41,488,727	40,905,807	-1%

Source: Hong Kong Agriculture, Fisheries and Conservation Department

Table 2: Average Retail Prices of Chicken Relative to Pork and Beef (freshly slaughtered)

US$/kg	2000	2001	2002	2003	2004 Jan – May
Chicken (top grade)	$4.49	$4.60	$4.58	$4.22	$5.48
Beef (best quality)	$7.17	$7.20	$7.15	$7.2	$7.19
Beef (belly flesh)	$5.34	$5.36	$5.35	$5.45	$5.47
Pork (best cut)	$4.87	$4.54	$4.26	$4.10	$4.09
Pork Chop	$5.92	$5.58	$5.18	$4.89	$4.87

Source: Hong Kong Census & Statistics Department
Exchange Rate: US$ 1 = HK$7.75

Table 3: Average Retail Prices of Chicken Relative to Pork and Beef (frozen)

Product Categories	Weight	HK$ (US$1 = HK$7.75)
whole chicken wings (Brazil)	5 lb	30
whole broiler legs (USA)	2 lb	14
boneless thigh meat (Brazil)	2 lb	18
whole chicken (Brazil)	about 3.3 lb	26 each
chuck (Brazil)	2 lb	38
knuckle (Brazil)	1 lb	13
fore shank (Brazil)	2 lb	20
short loin (Brazil)	12 ounces	32
Rib fingers (Brazil)	2 lb	45
US Bone-in Ribeye	1 lb	148
short ribs (US)	2 lb	66
sirloin (US)	1 lb	56
pork chop (Brazil)	2 lbs	24
boneless pork chop (Brazil)	1 lb	13
bone-in pork chop (US)	2 lb	44
loin (US)	1 lb	10.50

Source: Retailer

Table 4: Hong Kong Chicken Imports in Value by Major Suppliers, Jan – Jun

	Millions of US Dollars			% Share			% Change
Country	2002	2003	2004	2002	2003	2004-	04/03 -
--The World--	218	159	149	100	100	100	-7
Brazil	44	49	66	20	31	44	34
China	26	28	28	12	17	19	1
United States	108	54	26	50	34	18	-51
France	3	4	6	1	3	4	53
Thailand	9	8	6	4	5	4	-31
United Kingdom	7	5	4	3	3	3	-21
Canada	5	2	3	2	2	2	5
Chile	1	1	2	1	1	1	62
Germany	1	1	2	1	1	1	32
Denmark	2	1	1	1	1	1	64

Table 5: Hong Kong Chicken Imports in Quantity by Major Suppliers, Jan – Jun

					Market Share		
Country	MT 2002	MT 2003	MT 2004	% Change	2002	2003	2004
--The World--	255,531	193,891	135,751	-30%	100%	100%	100%
Brazil	50,520	60,004	60,067	0%	20%	31%	44%
United States	143,478	78,530	29,766	-62%	56%	41%	22%
China	17,961	19,822	19,232	-3%	7%	10%	14%
France	3,348	5,444	6,374	17%	1%	3%	5%
United Kingdom	9,332	7,427	3,985	-46%	4%	4%	3%
Canada	6,450	3,810	3,104	-19%	3%	2%	2%
Thailand	5,058	6,340	2,152	-66%	2%	3%	2%
Germany	1,900	1,770	2,078	17%	1%	1%	2%
Netherlands	6,382	1,120	1,859	66%	2%	1%	1%
Chile	1,415	1,464	1,842	26%	1%	1%	1%

Table 6: Average C.I.F. Prices of Chicken Products by Major Suppliers, Jan – Jun

				% Change
Country	-/ KG - 2002	-/ KG - 2003	-/ KG - 2004	- 04/03 -
--The World--	0.85	0.82	1.1	34
Brazil	0.87	0.81	1.09	35
United States	0.76	0.69	0.89	29
China	1.47	1.4	1.46	4
France	0.95	0.76	0.99	30
United Kingdom	0.75	0.64	0.94	47
Canada	0.72	0.63	0.81	29
Thailand	1.78	1.32	2.67	102
Germany	0.71	0.7	0.79	13
Netherlands	0.74	0.55	0.58	5
Chile	0.9	0.82	1.06	29

Table 7: Chicken Re-exports by Major Destinations, Jan – Jun

Country	MT 2002	MT 2003	MT 2004	% Change
--The World--	160,690	124,038	41,614	-66%
China	154,834	113,428	33,986	-70%
Vietnam	2,255	1,001	5,447	444%
Macao	3,565	3,058	1,996	-35%

Table 8: Hong Kong Chicken Imports by Categories, Jan – Jun

	MT 2002	MT 2003	MT 2004	% Change
Total Chicken	255,531	193,891	135,751	-30%
chicken wings	134,635	115,199	77,945	-32%
chicken frozen cuts	90,272	49,922	30,050	-40%
chicken, whole	11,858	14,757	16,238	10%
chicken feet	151,128	142,878	86,748	-39%
Value ($ million)	92	80	67	-16%

Table 9: Hong Kong Chicken Re-exports by Categories, Jan – Jun

	MT 2002	MT 2003	MT 2004	% Change
Total Chicken	287,910	250,607	83,799	-67%
chicken wings	97,479	84,983	25,719	-70%
chicken frozen cuts	51,840	26,942	11,544	-57%
chicken, whole	215	1,222	671	-45%
chicken feet	127,220	126,569	42,185	-67%

Table 10: Hong Kong Retained Chicken Products by Categories, Jan – Jun

	MT 2002	MT 2003	MT 2004	% Change
Total Chicken	94,840	69,853	94,137	35%
chicken wings	37,156	30,216	52,227	73%
chicken frozen cuts	38,433	22,980	18,506	-19%
chicken, whole	11,643	13,535	15,567	15%
chicken feet	23,908	16,309	44,563	173%

Table 11: U.S. Chicken Exports to Hong Kong, Jan – Jun

	MT 2002	MT 2003	MT 2004	% Change
Total Chicken	143,478	78,530	29,766	-62%
chicken wings	60,746	39,414	12,413	-69%
chicken frozen cuts	71,892	33,013	14,699	-55%
chicken, whole	617	687	565	-18%
chicken feet	96,472	91,025	36,169	-60%
Value ($ million)	62	55	29	-46%

Table 12: U.S. Chicken Exports to Hong Kong being Re-exported, Jan - Jun

	MT 2002	MT 2003	MT 2004	% Change
Total Chicken	99,360	58,187	16,900	-71%
chicken wings	44,959	29,474	6,256	-79%
chicken frozen cuts	46,914	22,988	8,708	-62%
chicken, whole	86	874	572	-35%
chicken feet	84,449	84,037	18,676	-78%

Table 13: Hong Kong's Retained Imports of U.S. Chicken Products, Jan – Jun

	MT 2002	MT 2003	MT 2004	% Change
Total Chicken	44,118	20,344	12,867	-37%
chicken wings	15,787	9,939	6,157	-38%
chicken frozen cuts	24,977	10,025	5,991	-40%
chicken, whole	530	-187	-7	-96%
chicken feet	12,023	6,988	17,493	150%

Source: Hong Kong Census & Statistics Department – World Trade Atlas

Narrative on Supply and Demand, Policy & Marketing

Production

During the rampant outbreak of avian influenza in the region in early 2004, Hong Kong escaped being infected by the bird flu except for a single case of H5N1 avian influenza in a dead migrating peregrine Falcon found in Hong Kong's New Territories in January of this year. In 2004, with the Hong Kong government's extensive surveillance program in place, no cases of highly pathogenic avian influenza were discovered on Hong Kong's farms or live poultry markets.

The retail markets currently have two rest days each month where all birds are slaughtered and the premises are cleaned and disinfected to break the virus cycle. All poultry on Hong Kong chicken farms are being vaccinated with H5N2 avian influenza vaccine in addition to enhanced individual biosecurity measures on each farm for H5 avian influenza protection. Importation of live poultry, poultry products and pet birds into Hong Kong from countries affected by the H5N1 outbreaks was stopped from the end of January 2004. This ban is still in place for the following countries/territories: South Korea, Vietnam, Japan, Thailand, Cambodia, Laos, Indonesia, British Columbia Province of Canada, Pakistan, Republic of South Africa and Malaysia.

Given the outbreak of highly pathogenic avian influenza (HPAI) in China in January, Hong Kong banned the imports of live poultry and poultry meats from China starting January 30. As the threat of HPAI subsided in March, Hong Kong's importation of chicken meats and live chickens from China resumed on March 22 and April 20 respectively.

China accounts for about 70 percent of Hong Kong's live chicken supplies while local production accounts for approximately 30 percent. Hong Kong's suspension of live chicken imports led to the acute shortage of live chicken supplies in the local market. Local supply hardly kept pace with demand. Even though importation of live chickens resumed on April 20, 2004, the Hong Kong government is restricting the number of imports to 30,000 head daily. The importation level in the past amounted to 100,000 daily. Given Hong Kong's capacity limitation, the local farming industry cannot raise production. As such, the production forecast for 2004 is 32,000 MT, representing a drop of 45 percent compared to 2003. This estimation is based on Hong Kong's continued quantity restriction of live chickens. The Hong Kong government has given no indication when this restriction will be lifted. A government official explained that the overcrowded conditions of Hong Kong's retail markets would make it undesirable to accommodate large quantities of chickens on a daily basis. The importation number therefore continues to be limited to 30,000.

The local chicken production industry does not have any hatchery facilities. The process has been shifted to China since 1993 to lower production costs. Currently, only 2 to 3 local farms have very limited facilities providing insignificant amount of day-old chicks. According to the industry, the production of day-old chicks locally, by importing fertile eggs from China, will be HK$5 (US$0.65) more expensive than bringing in a day-old chick from China. Therefore, the local chicken industry primarily depends on imports of day-old chicks from China.

With the recent avian influenza outbreak in the region, the Hong Kong government is more inclined to end live chicken sales in two to three years time. Their current dilemma is the livelihood of the 3,500 people in the industry and the strong reaction of many consumers who continue to prefer purchasing their live chickens from a wet market. The government has recently launched a public consultation on future live chicken sales. The proposal included two alternatives for replacing the live markets: A central slaughterhouse capable of handling 30,000 birds a day; or five or six regional slaughterhouses, which will also function as chicken wholesalers. A central slaughterhouse could be operating in five years, while regional facilities could be set up in two years at the earliest. Meanwhile, interim measures will be adopted to prevent any HPAI cases in Hong Kong. The Hong Kong government has not announced the result of the consultation. Regardless the result, the government's determination to end live chicken sales in individual wet markets is very evident. The current measure to limit China's import of live chickens to 30,000, far below the normal demand of 100,000, is viewed as a step to encourage consumers to shift to buying chilled/frozen chickens. As such, chicken production in the future is very likely to shrink and the pace depends on the government's policies with regard to retail sales of live chickens.

Consumption

The Avian Influenza cases in the United States in early 2004 did not cause any negative impact on consumers' confidence in U.S. chicken products. The Hong Kong government's import ban on U.S. chicken meats on February 11, 2004 and their lifting of the ban on April 30 did not catch much of the media and consumers' attention. Nonetheless, the consumption of U.S. chicken products was inevitably reduced due to the short supplies during the banned period.

In the past few months, Hong Kong consumers have shifted much of the consumption from chicken products to other meats like pork and beef when Hong Kong banned live chicken imports from China between January 30 and April 20. The substitution effect is still at play because Hong Kong currently limits the live chicken imports to 30,000. Between January - June 2003 and 2004, live chicken imports from China declined 64 percent to a level of 6 million head. The reduced supply forced consumers to look for substitutes. Pork has become the most favorable alternative. The number of live pigs imported from China increased almost 7 percent and retained imports of pork products jumped 9 percent in the first five months of 2004 compared to Jan – May 2003. Moreover, there is a noticeable increase of chilled/frozen whole chickens, retained imports of which rose 15 percent in Jan – June 2004 when compared to Jan – June 2003 (table 10). Despite the ban on China's chicken products for almost two months, China remains the largest supplier of whole chickens to Hong Kong.

Due to the reduced supply of live chickens, retail prices have almost risen 30 percent in the past few months (table 2). The price differentials between live chicken and chilled/frozen chicken encourage consumers to buy the latter except during very special Chinese festivals. It is foreseeable that Hong Kong consumers will be getting more and more accustomed to chilled/frozen chickens. While the forecast of total chicken consumption for 2004 will drop 5 percent due to reduced supplies of live chickens, the estimated consumption of chilled/frozen chicken products actually rose 10 percent. However, the growth will not sustain in 2005 if the importation of live chickens returns to a normal level. Nonetheless, the long-term trend is that the consumption of chilled/frozen chickens will increase while that of live chicken will decrease.

Trade

Hong Kong suspended chicken imports from the United States between Feb 11, 2004 and April 29, 2004 following avian influenza cases in the United States. Consequently, Hong Kong imports of U.S. chicken drastically declined 62 percent between January - June 2003 and 2004 and Hong Kong's total chicken imports also dropped 30 percent. As table 5 shows, there was no corresponding increase in imports from other major competitors.

The Hong Kong government lifted restriction on U.S. poultry products on April 30, 2004, with the exception of poultry products from the State of Texas, where the HPAI case was discovered. Subsequently, on Aug 6, 2004, the Hong Kong government lifted restriction of poultry products from the State of Texas.

The decline of imports from China is expected because chicken products from China were also banned in early 2004. Imports from Brazil, however, did not record any rise in the past six months when compared to the same period of last year. The reason was that China did not issue any significant amount of permits for the importation of Brazilian products for processing in the first half of the year. When the re-export channel to China is blocked, Hong Kong buyers do not have any incentive to buy products from Brazil. Meanwhile, many poultry products have been stuck in the Hong Kong market leading to the rise of retained imports (table 10). The 73 percent increase in retained imports of chicken wings in Hong Kong was probably due to the accumulation of products initially planned for China or the unexpected reduction of re-export trade to China, instead of a sudden surge in domestic consumption.

However, Hong Kong's imports of whole chicken rose by 10 percent between January – June 2003 and 2004 (table 8). Domestic demand for whole chicken has risen to compensate for the shortage of live whole chickens. China is the largest whole chicken supplier to Hong Kong. Imports of whole chickens from China have risen sharply after the ban was lifted in late March. The demand has been so keen that imports for the first half of the year already recorded a 8 percent rise compared to the same period in 2003. Brazil was the second largest supplier of whole chickens to Hong Kong. Imports from Brazil to Hong Kong experienced a strong rise of 54 percent between the same two comparing periods.

Forecasts

Hong Kong's import of chicken products (excluding re-exports) for 2004 is expected to rise 10 percent. Given Hong Kong is a mature market, the rise is considered as significant. As explained earlier, the rise is driven by the expected increased consumption of chilled/frozen chicken products when live chicken supplies are restricted and prices are high.

When Hong Kong's import figures include re-exports, the forecast for 2004 is unlikely to record any significant increase in 2004. China's import policy on U.S. chicken products has a strong bearing on Hong Kong's import of chicken products. This can be illustrated by Hong Kong's import level for U.S. chicken products has not yet returned to 2003's although Hong Kong's restriction on U.S. poultry was lifted on April 30, (chicken from the State of Texas on August 6).

Hong Kong's Import (re-exports included) of Chicken Products (excluding chicken feet)

	KG May-Jun 03	KG May-Jun 04	% change
World	56,056,616	45,000,194	-20%
Brazil	22,520,414	23,152,886	3%
US	16,768,266	1,608,339	-90%
China	6,397,821	11,282,473	76%

Hong Kong's Import (re-exports included) of Chicken Feet

	KG May-Jun 03	KG May-Jun 04	% change
World	47,638,357	22,254,768	-53%
Brazil	9,066,461	11,609,307	28%
US	28,740,766	3,771,573	-87%

Source: Hong Kong Census & Statistics Department
Note: Figures include re-export figures

China's continued ban on U.S. poultry products is a major reason for Hong Kong's low import level of U.S. chicken products during May and June 2004. There are other reasons as well. U.S. suppliers are asking for high export prices because domestic demand is strong. Some HRIs are reluctant to switch back to U.S. chicken when the prices are relatively higher than suppliers from China and Brazil. Also, stocks of U.S. chicken products are still available in Hong Kong. Currently, the U.S. chicken products coming to Hong Kong are mostly mid-joint wings, which are consumed in Hong Kong.

Competition

U.S. products have been facing keen competition with products from Brazil and China. Brazilian products are advantaged by the fact that China re-started to issue import permits for Brazilian products in August 2004 provided that the products are for further processing purposes. Also, some Brazilian suppliers seem willing to lower their prices.

China, apart from being very competitive in supplying whole chickens to Hong Kong, has also improved the quality of their chicken exports in recent years. According to industry sources, China is able to provide products according to specifications comparable to those of the Brazilian and U.S. products. Bone-in chicken legs from China are one of the favorable items and well received in Hong Kong.

In the past few months, Australian chicken products have been introduced to very high-end retail outlets. Their marketing point is "natural and hormone–free". The product aims to capture a niche market in Hong Kong. Since the Australian products are priced higher than U.S. products, it would be a challenge for these products to do well in the HRI sector. However, there is a potential in the up-scale retail market.

Re-export

China has now opened its market for pipeline shipments, that is poultry products which left the U.S. ports before its February 8, 2004 announcement of the ban on U.S. chicken products. According to the information provided by the industry, there are about 150 containers of those pipeline shipments still stuck in Hong Kong. The market in China is such that it currently can afford good prices for chicken products. Consequently, Hong Kong traders reportedly can recover most of their storage costs by selling to the China market even when shipments have been stuck in Hong Kong warehouses for the past few months.

Due to their stringent anti-smuggling activities and scarcity of import permits, current transport costs to China are very expensive, averaging about RMB6,000/MT for chicken products. The transport cost for a container then reaches as high as RMB150,000. The market, however, can still support such high transport cost, showing that there continues strong demand for chicken products in China.

Policy

Following an avian influenza case in the state of Delaware, the Hong Kong government announced the temporary suspension of imports for products from Delaware on February 8. The second Delaware case immediately led to Hong Kong's complete suspension of poultry products from the entire United States. Processed chicken products were always allowed into Hong Kong but are subject to hold and test policy. After back and forth negotiation, USDA through the ATO, finally reached an agreement with the Hong Kong government to open up the market effective April 30 for poultry products from the entire United States except those from the State of Texas.

USDA then organized a fact-finding mission for Hong Kong government officials to Texas to learn first-hand information on the surveillance measures in place for avian influenza. The Hong Kong government officials were impressed with the monitoring system in place and lifted the ban on Texas poultry products effective August 6.

To standardize the certification requirements for poultry products, the Hong Kong government required FSIS certificates accompanying chicken feet shipments to certify ante mortem and postmortem inspection and this new measure will become effective on April 30, 2005. The revised certification requirement for chicken feet will then be in line with the existing requirements for all other poultry products. With this new certification requirement for chicken feet, U.S. exporters may need to adjust their production facilities if they intend to export their chicken feet products to Hong Kong after April 30, 2005.